



**North Carolina Department of Health and Human Services
Division of Budget, Planning and Analysis**

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Michael F. Easley, Governor
Carmen Hooker Buell, Secretary

December 14, 2001

Allyn Guffey, Director

MEMORANDUM

To: Division Directors
Budget Officers
Office Directors

From: Allyn Guffey, Director
Division of Budget & Analysis

Subject: State Mileage Allowance and Temporary State Budget Manual Revision

In a memorandum dated December 3, 2001 from the Office of State Budget and Management, we have been notified that the IRS business mileage rate has been increased from 34.5 cents per mile to 36.5 cents per mile for mileage incurred on or after January 1, 2002. In compliance to G.S. 138-6(a)(1), OSBPM has changed the allowable rate of reimbursement for business use of a personal vehicle for employees that operate from funds deposited with the State Treasurer. A copy of the OSBM memorandum is attached for your reference.

The policy establishing a 25 cents per mile reimbursement rate for rates set by any other law by reference to G.S. 138-6(a)(1) remains in effect. The IRS rate does not apply in these situations.

Section 5 of the State Budget Manual, Travel Policies and Regulations, states the IRS mileage rate will be paid when an employee chooses to use their personal vehicle even when a state vehicle is available. However, the Department of Health and Human Services will continue to reimburse employees under the provision of a temporary State Budget Manual revision allowing reimbursement at the motor fleet rate for mileage when a state-owned vehicle is available. This exception to the State Budget Manual is authorized by OSBM until June 30, 2002.

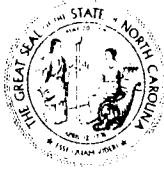
If you have any questions, please contact your Budget Analyst in this office.

Attachment

CC: Lanier Cansler
Budget Analysts

Assistant Secretaries





State of North Carolina

Office of State Budget and Management

Michael F. Easley
Governor and Director
of the Budget

December 3, 2001

David T. McCoy
State Budget Officer

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers

FROM: David McCoy *David McCoy*

SUBJECT: State Mileage Allowance and Temporary State Budget Manual Revision

Effective January 1, 2002, the Internal Revenue Service (IRS) has increased the business standard mileage rate from 34.5 cents per mile to 36.5 cents per mile. Pursuant to G.S. 138-6(a)(1), the Office of State Budget and Management will change the allowable rate of reimbursement for travel on official business by the officers and employees that operate from funds deposited with the State Treasurer.

On November 1, 2001, the State Budget Manual, in its latest revision, included the IRS standard mileage rate increase to allow the payment of 36.5 cents per mile for business standard mileage effective January 1, 2002. The following policy remains in effect:

1. Mileage reimbursement rates set by any other law by reference to G.S. 138-6(a)(1) are established at 25 cents per mile, not the IRS rate.

Please familiarize yourself with this new policy. If you have questions regarding this matter, please feel free to contact your budget analyst.

The temporary Budget Manual revision (initial memorandum January 26, 2001) reducing the mileage reimbursement rate to state employees when they choose to use their personal vehicle when a state vehicle is available will remain in effect.

Section 5, Travel Policies and Regulations, indicates the IRS mileage rate is paid when employees choose to use their personal vehicle even when a state vehicle is available. All departments and agencies may continue to reimburse state employees the motor fleet rate for mileage when a state-owned vehicle is available, and the employee chooses to use his/her own vehicle. This policy exception is effective until June 30, 2002.

If you have any specific questions regarding the State Budget Manual, please contact your Budget Analyst or Nick Holt, (919)-733-7061 or email, Nick.Holt@ncmail.net.